

**SWIFT MINDANAO PROJECT EVALUATION:  
SUMMARY OF FINDINGS ON PROGRAM IMPACTS<sup>1</sup>**

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<sup>1</sup> This summary is extracted from a longer report submitted to OTI on October 20, 2000. For a copy of the 64-page report, please contact the OTI Information Officer, (202) 712-1299 or E-mail: OTI@usaid.gov.

# EVALUATION

## SWIFT MINDANAO PROJECT

### I. INTRODUCTION

This evaluation was contracted by the Office of Transition Initiatives (OTI) of the United States Agency for International Development (USAID). The purpose was to evaluate the OTI financed Support with Implementing Fast Transition (SWIFT) project in Mindanao. This project, now close to completion, was designed to provide targeted, sustainable livelihood assistance to Moro National Liberation Front (MNLF) ex-combatants and in the process strengthen local capacity and organizational linkages that would contribute to peace and stability in the former zone of conflict.

Field visits and interviews for the evaluation were conducted over a three-week period in Mindanao in September 2000. They were somewhat limited geographically by security restrictions at the time of the evaluation. Nonetheless, a broad cross section of views was secured from both beneficiary groups and concerned stakeholders.

The evaluation was charged with determining performance and impact of the SWIFT project. It provides a number of findings on program impact and relevance to key hypotheses posited by OTI, along with recommendations on design and implementation.

### II. BACKGROUND AND PROGRAM HISTORY

On September 2, 1996, the GRP and the MNLF signed a peace agreement putting an end to almost thirty years of conflict. In the agreement, the GRP committed itself to military, political and development measures designed to establish a framework for stability, peace and economic growth within Special Zone of Peace and Development (SZOPAD) in 14 provinces and 9 cities with significant Muslim populations in Southern and Western Mindanao, Palawan, and the island provinces of Basilan, Sulu and Tawi-Tawi. The agreement promised that "...public and private investments shall be channeled to these areas to spur economic activities and uplift the conditions of the people therein."

Other key measures of the Peace Agreement called for: (1) the establishment of a Southern Philippines Council for Peace and Development (SPCPD), representing the Muslim, Christian and Cultural Communities, which was to monitor, promote and coordinate development efforts in the area; (2) the incorporation of over 7,500 MNLF elements within the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), and (3) a political formula for Muslim autonomy to be implemented through a plebiscite to determine the area and form of a new autonomous government in the region under the authority of the President of the Republic.

The first two of these measures have been implemented partially.<sup>2</sup> The third has not and is now expected for May 2001. With regard to promised public and private investments (a “Mini Marshall Plan”), although a substantial international donor effort is underway, the GRP itself has lagged far behind in allocating financial and human resources for the SZOPAD and is perceived by MNLF rank and file as not in compliance with the agreement.<sup>3</sup>

In early 1997 the GRP requested assistance from the international donor community in support of the Peace Agreement. USAID was able to respond rapidly thanks to two ongoing projects in place in the region - GEM and Governance and Local Democracy (GOLD). At the same time (May 1997), the USAID Mission Director requested that OTI review the situation in Muslim Mindanao and develop a transition program to augment Mission supported activities.

The subsequent OTI assessment, in June 1997, designed an Emergency Livelihood Assistance Program (ELAP) to facilitate reintegration of Muslim ex-combatants and their families into Philippine society. On August 8, 1997, a Memorandum of Understanding (MOU) was signed between the SPCPD and the U.S. Embassy establishing the program. After reviewing available options for implementation, OTI and the Mission decided to utilize the GEM contractor, Louis Berger International Inc. (LBII), which already had fully staffed offices in Mindanao and was well positioned to provide support for agriculture and other activities within ex-combatant communities.

#### **A. GEM/ELAP Phase 1 (August 1997 – March 1999)**

The program commenced in September 1997 under a contract amendment utilizing Mission funding for operating costs and OTI funding (\$2.15 million) for production inputs and supporting NGO activities. OTI also assigned a senior field officer (Asia Regional Manager) to Mindanao, to manage program implementation.

The principal objectives of the program were to provide emergency livelihood assistance to former MNLF combatants and their families and to promote political stability. The program included three main activity components: (1) Livelihood assistance (farm inputs, training and technical support for corn and seaweed production), (2) establishment of participant managed community funds, and (3) a pilot functional literacy program (FUNLIT) for 600 ex-combatants and female family members. Within a month of signing the MOU the first participants had entered into production.

During the 18-month period of Phase I, the program assisted 4,000 MNLF ex-combatants in corn and seaweed production in eight mainland and three island provinces of the

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<sup>2</sup> “Partially” because the SPCPD has been created, but it has little authority and no program resources. The creation of the Mindanao Coordinating Council (MCC) is also perceived to have marginalized the SPCPD.

<sup>3</sup> In field interviews with recipient groups the Evaluation Team was told again and again that the GRP had not lived up to its commitment to implement the Peace Agreement, despite the fact that field staff consistently pointed out that the donor programs were in fact the result of GRP agreements to support development in the region. (See Hypotheses section under Impact, below)

SZOPAD. Program criteria called for minimum groups (“clusters”) of 75 ex-combatants farming in a contiguous production area and with access to land through two production cycles “croppings” (the limit of assistance for a given beneficiary). Program oversight was provided by a Management Committee (MANCOM), chaired by the SPCPD and with representatives from the National Economic Development Authority (NEDA), the Bangsamoro Women’s Foundation for Peace and Development (BMWFPD) and USAID. At the MNLF State level, a community committee (COMCOM), chaired by the MNLF State Chairman, with representatives from the BMWFPD and MNLF national unit commands (NUC), was responsible for participant and site selection.

The program was successful in that it achieved its purpose (delivery of emergency assistance) in a rapid and visible manner at a time when other donor efforts were still on the drawing board. Although corn production returns were mixed due to drought brought on by El Nino and price deterioration during the second harvest (seaweed fared better), the program generated hope and stability through concrete action in the target areas. Ex-combatant beneficiaries were kept busy and engaged early in the demobilization period.

In October 1998 the community fund component was implemented under which livelihood recipients were to repay the cash value of their production inputs to a fund to finance community projects. The program, which was not extended beyond GEM/ELAP’s Phase 1, met with limited success. Its implementation started over a year after the agricultural production component due in part to lack of GEM-OTI agreement on management of implementation. Proper introduction and training on the concept was critical as farmers lacked experience in such financial schemes. However, training arrived too late in relation to the harvest season. The Community Fund component did not have adequate village-based field support or the critical linkage to the ELAP agricultural production component. Finally, the weather conditions (El Nino and La Nina) negatively impacted agricultural production and income.

The third component, for a pilot functional literacy activity, was launched in September 1998 through a grant to World Education, a US NGO. At project end, May 2000, 934 learners had completed functional literacy classes. Twenty eight classes of levels 1-3 were organized during project execution.

## **B. SWIFT (April 1999-December 2000)**

The SWIFT/ELAP activity (now just called “SWIFT”) began in April 1999, with the signing of a MOU with the SPCPD. A task order for implementation of the program was signed three days later under OTI’s SWIFT Contract with DAI. Administrative, operational and staff systems were established in Mindanao and field staffs deployed to MNLF target area offices by mid-May (mobilization in less than a month).

Officially stated objectives of the SWIFT activity are basically the same as the original GEM/ELAP, i.e., targeted livelihood assistance to ex-combatants, provision of a tangible peace dividend and political stability. There is a major difference in practice, however. The SWIFT program is designed to achieve:

- (1) Tangible alliances between MNLF communities and local and GRP units through meaningful interactions. This is to change perceptions on GRP delivery in compliance with the Peace Agreement. It also facilitates sustainability through creation of an external supporting structure for each village recipient.
- (2) Establishment of post harvest facilities and social infrastructure which will assist the group to add value to its production on a sustainable basis and provide an organizational vehicle for growth through economies of scale in processing.
- (3) Strengthened group capacity to manage and mobilize resources through participatory decision-making.
- (4) Improved relations between the Muslim ex-combatant communities and other non-combatant, Christian and indigenous elements of society through open cooperative organizations and the sharing of benefits.

One additional objective was established late in the project period, from April 2000 forward. This was to promote peace in Mindanao and reduce tension through reconciliation activities implemented by civil society groups in the form of peace rallies, caravans and various fora at local and regional levels. Consulting assistance provided by the GOLD project identified and developed the majority of these grants.

As of the end of September 2000, 420 TAGs had been approved and 300 delivered. The end of August was the cutoff date for approval of all new TAGs. The remainder of the project period (until March 31, 2001) will be utilized to complete deliveries and provide needed training and follow-up assistance to organizational recipients.

The effectiveness of the SWIFT program will be examined in detail in the sections to follow.

### **III. OBJECTIVES AND METHODOLOGY**

#### **A. Objectives**

**1. Focus -** According to the Scope of Work (SOW), the evaluation was to focus on the impact of OTI's transition assistance in Mindanao, both Phase I (GEM/ELAP) and Phase II (SWIFT), with the primary focus on SWIFT.

**2. Principal Tasks -** The SOW set forth four principal tasks as follows:

**a. Test Hypotheses:** The SOW listed four hypotheses for testing by the evaluation. These included three related to the goal of promoting peace and stability in Mindanao, and one related to the creation of economic opportunity for ex-combatants.

**b. Document the Impact of OTI’s program on Muslim Communities:** This was to be analyzed within the context of Strategic Objectives and indicators established by OTI for purposes of TAG assessments currently underway.

**c. Review OTI’s Exit Strategy and Recommend Future Activities:** The SOW called for guidance on development of a “hand-off” strategy. A draft strategy has been proposed by the Asia Regional Manager.

**d. Document SWIFT Program Processes (management, procurement, grant making, finance):** SWIFT has developed a highly articulated set of procedures linked by the mentioned integrated database program.

## **B. Methodology**

- 1. Structured interviews of TAG recipient groups in the field and the principal stakeholders in the program.** Field interviews were curtailed somewhat by restrictions placed on travel by the Regional Security Officer (RSO). The team was able to cover about 70% of the originally planned site visits.

In interviews the team systematically covered points of interest to the evaluation, including economic and social impact, group capacity to plan and manage resources; linkage with LGUs, the GRP and other entities; attitude toward the conflict, and perceptions of GRP compliance with the Peace Agreement. Where possible, the team tried to get a reading on the impact of the GEM/ELAP activity and its relationship, or lack thereof, to the SWIFT program. The team also interviewed a wide range of stakeholders in Washington, Manila and Mindanao to obtain views on SWIFT program performance and importance, coordination aspects, the conflict situation, political factors of the setting and recommendations.

- 2. Analysis of Monitoring and Evaluation (M&E) Reports.** Since April 2000 a three-person Project Analysis Team (PAT) has been carrying out individual monitoring and evaluation (M&E) exercises on all TAGs (with the exception of the “Reconciliation” group). The team reviewed all M&E reports and analyzed impact on 80 TAGs with at least some economic activity utilizing equipment or infrastructure delivered. The M&E reports were analyzed utilizing previously established indicators related to the project’s strategic objectives (SOs).

Finally, the team had various meetings with SWIFT program staff, particularly the Project Development Officers (PDOs), PAT team members, the DAI Field Representative and the OTI Asia Regional Manager. The team also carried out a comprehensive review of available documentation on the program and related aspects including Mission strategy.

## **IV. FINDINGS RELATED TO IMPACT AND HYPOTHESES**

### **A. Impact**

In March 2000 the SWIFT staff met with the OTI/Washington Evaluation Specialist to develop program impact indicators. In April a final list was defined and incorporated within the program database for TAGs<sup>4</sup>. Thereafter, the indicators were consistently applied on all village-based TAGs.<sup>5</sup> The PAT team then began to evaluate each TAG based the established indicators.

The schedule of the assessments focused first on early TAG recipients. (Processing of new TAGS and deliveries were still ongoing when the PAT started the assessments.) The PAT team used a M&E report form that isolated the effect of SWIFT assistance as opposed to other contributions to the same group, facilitating attribution. To generate the M&E report, the PAT team used a “Progress Analysis Form”, a comprehensive interview guide, which provided a series of questions designed to get at key data from various angles. This facilitated consistency in measurement of qualitative indicators.

The PAT assessment was still ongoing at the time of the evaluation and is now scheduled for completion by February 2001. The M&E reports are the evaluation team’s source of data for this section. It was not the team’s intention to review or modify established indicators, although it offered some suggestions to improve results in future exercises.

Since the PAT exercise is ongoing, findings are tentative. But they do indicate noteworthy trends, and, together with interviews, provide a valuable basis for assessing the program. Early conclusions from the M&E reports are discussed here in tandem with findings from the field interviews. In many cases, field interviews reinforced M&E data.

It is important to complete the M&E exercise. Once the PAT team has assessed a more substantial number of TAGs, it would be useful to revisit early conclusions.

### **Strategic Objective 1 Group Livelihood Improved**

#### **Output Indicator 1.1: Equipment/Infrastructure Delivered**

For the 80 TAGs with production days, a total of 216 pieces of post-harvest equipment, machinery, and/or infrastructure activities were provided. These represented contributions from SWIFT, the LGUs, the DA, and cooperative members themselves. Below is a breakdown of the equipment, machinery, and infrastructure provided.

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<sup>4</sup> SWIFT has a database for its TAGS, which serves as a management tool for PDOs and program management. The database is discussed in Section V.C SWIFT Program Processes.

<sup>5</sup> Consistent use of the same set of indicators was mandated in instructions to the PDOs to provide a common basis for measurement.

**Table 1**  
**Equipment, Machinery, Infrastructure Delivered to 80 TAGs**

<b>Equipment</b>	
Abaca stripper	1
Banca (small boat)	9
Baobao (turtle tiller) with engine	16
Corn mill	0
Corn sheller	4
Corn sheller with engine	21
Engine	16
Generator	1
Hauler	11
Hauler with engine	13
Power tiller with transmission (K700)	5
Kuliglig (local power tiller)	13
Mechanical Dryer	6
Rice mill	5
Rice thresher	4
Rice thresher with engine	9
Total Equipment	134
<b>Infrastructure</b>	
Road rehabilitation	1
Shed house	55
Solar drier	11
Warehouse	7
Water systems	8
Total Infrastructure	82
<b>GRAND TOTAL</b>	<b>216</b>

From this sample 1-3 pieces of equipment or infrastructure were provided to each group. From field interviews, it was obvious that most of the groups were first time recipients of such assistance. Given their weak organizational and financial status, they were unlikely to be able to procure these on their own. Also, many were in relatively remote areas had not received any other donor assistance. Some interviewees disclosed that they used some of the equipment, such as the hauler, to transport people to the town health center for medical emergencies, children to school, and other “social” purposes.

The more striking point about the quantity of equipment and infrastructure delivered is that a significant number came from LGUs and the national government (primarily the DA). Over and over, the farmer associations (and high-ranking SPCPD officers) highlighted the catalytic role that SWIFT had played in engaging the LGU and the DA. It was also common to see tripartite efforts in a single activity. For example: for solar driers, SWIFT would provide raw materials like cement; the LGU would provide a mixer or contribute sand and gravel; and cooperative members would provide the labor. The

Department of Social Welfare and Development (DSWD) often contributed food for work for community labor during construction.

Field interviews (with farmer organizations and LGUs alike) elicited consistent positive comments about SWIFT's short project timeframe. Requirements for livelihood activities were determined through a participatory process. The equipment arrived on the projected delivery date. PDOs showed up consistently on scheduled dates and on time. An LGU official summed it up: "SWIFT lives up to its name. It is really swift".

Nevertheless, improvements can be made on timing of delivery to ensure that facilities arrive before the start of the harvest season. Where GEM/ELAP is also present, better sequencing of input and post-harvest assistance is needed.

In conclusion, equipment and facilities are being delivered in a timely fashion and productively utilized by beneficiary groups, including for social purposes.

### **Impact Indicator 1.2: Employment Generated and Income Mobilized**

Results to date on employment generation have been minimal. Of the 80 TAGs, 57 generated employment of 3,567 person days. Many of the organizations did not yet operate the facilities at full capacity. This often involved several hours a day for a few days during the harvest season. Nonetheless, while employment generated was limited, there would otherwise be no employment at all. Alternative employment is not available and many organizations cited new employment as an important benefit. So far, only a handful of the recipient groups had successfully marketed their post harvest facilities to other groups and non-members, but this does represent potential future earnings.

Lessons from earlier experience on the TAGs have highlighted the need for operator training by equipment suppliers. This has since been incorporated in the program through the procurement process. There were a few cases of breakdown, inappropriate accessories and refurbished equipment. These are also now being addressed through the procurement selection process (including blacklisting). The PAT team has been highlighting such cases for corrective action.

Modest increases in income have occurred. Of the 80 groups, 62 reported net income for the organization. Most realized incomes of P2,500 or below, however. In many groups, income was for only one harvest. Table 2 shows the distribution of income mobilized per farmer organization.

Several factors influenced the level of income realized. One was the timing of the delivery. In some cases, use of the facilities was limited by arrival late in the harvest season. For this reason, SWIFT has pressured the DA to accelerate its delivery of counterpart equipment<sup>6</sup>. Second, there were disruptions due to GRP-MILF fighting,

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<sup>6</sup> The DA did not actually commence delivery of machinery until April 2000 with the bulk of the deliveries arriving from July onward. The pace of the delivery is now accelerating due to continuing follow-up efforts by SWIFT management.

especially in Maguindanao and Lanao del Sur. Third, there were cases of operating problems with the equipment.

**Table 2**  
**Net Income Distribution of Farmer Organizations**

Net Income Range (pesos) <sup>7</sup>	No. of organizations
0-2,500	34
2,501-5,000	10
5,001-7,500	2
7,501-10,000	2
10,001-20,000	7
20,001-30,000	2
30,001-40,000	1
Above 50,000	4

There are three interesting conclusions with regard to income:

- a. While income realized has not been dramatic so far, it is noteworthy that most of it has been reinvested in productive assets or capitalized in the organization's accounts, rather than paid out as member dividends.
- b. The obvious benefits to date have been significant reductions in processing costs and increases in hectares farmed, thus increasing total output. However, income is not maximized for three main reasons: poor quality seeds and unaffordable fertilizers; high interest rates and margins paid to traders; and inefficient marketing. From interviews, the team gathered that traders' markup on a bag of fertilizer is about 30%. A small loan with a term of three months has 40% interest or 160% per annum.<sup>8</sup> Where the produce is sold to the trader, the trader's buying price is also typically lower by 2.5% than the prevailing market price.<sup>9</sup>
- c. Unfortunately, M&E reports do not capture data on individual farmer incomes. However, PAT team and field interviews indicate that, increases in farmer income (relative to the organization's income) is much more impressive. To illustrate, the average farmer benefits include about P5,000 savings in transportation costs per cropping season, 5 centavos savings per kilo for shelling, a 50% increase in area farmed, and reduced costs in land preparation. With an average area of 2 hectares per farmer and 2 cropping seasons per year, the estimated increase in farm income could be as much as P10-12,000 a year (\$217-\$260).

<sup>7</sup> At the time of the evaluation, the exchange rate was about P46 to \$1.

<sup>8</sup> A P2,000 loan from a trader is paid with two sacks of rice at the end of the cropping season, about 2-3 months. At an estimated price of P400 per sack of rice, the interest is P800 on a P2,000 loan. This translates to an interest rate of 40% for 3 months or 160% interest per annum.

<sup>9</sup> P0.20 is shaved off for every kilo of rice, which would otherwise sell at P8.00 per kilo.

### **Impact Indicator 1.3: Changes in Quality of Life of Groups Assisted**

This indicator required a subjective, qualitative analysis based on group perceptions in response to a series of established questions. As shown below, an overwhelming majority of the groups affirmed improvement in their quality of life.

**Table 3**  
**Beneficiary Perception Improvements to Quality Life**

Rating	No. of Groups	Percent
Great Improvement	8	10.0
Satisfactory Improvement	36	45.0
Slight Improvement	26	32.5
No Improvement	10	12.5
Total	80	100.0

Without exception, cooperative respondents confirmed a positive correlation between SWIFT assistance and a better life, although it was difficult to extract specific changes. From the M&E reports, changes included home improvements, more rest, the purchase of small appliances and farm animals, and more interaction with other community members, including government. While findings are tentative, there is clear potential for significant improvement. Sustained follow-up is needed, however.

### **SO2: Group Capacity Improved**

#### **Output Indicator 2.1: Training Conducted**

Of the 80 groups with production days, 79 had received training in 214 on-site sessions in the community. Two contractors are conducting the training: Notre Dame Business Resource Center (NDBRC) through a consortium of Notre Dame colleges in SZOPAD and the Orient Integrated Consultants, Inc. (OIDCI), a Manila-based consulting firm. The courses typically include bookkeeping, cash management, cooperative principles, leadership, and strategic management. The NDBRC training module, which started much earlier than OIDCI, consists of one day of training with no follow-up. Because NDBRC could not cover all SWIFT-assisted groups within the needed timeframe, OIDCI was subsequently contracted. The OIDCI module was based on NDBRC's, although improvements were made from experience to date. The basic OIDCI course now runs three days and a follow-up visit is made after two weeks. At the end of the course, the organization must have installed books of accounts.

Beyond the basic course the PDO's encourage counterpart training and technical assistance (TA) contributions from LGU and GRP agencies. Training and TA at the community level predominantly comes from the devolved DA technician, the local cooperative officer, and in a few instances (notably in Lanao and later in Sultan Kudarat) from the Department of Trade and Industry (DTI).

SWIFT has also arranged for technical training from Kubota, a major supplier of farm machinery. An arrangement with the Agricultural Training Institute (ATI) of the DA is being negotiated as part of DA's partnership with SWIFT. ATI, with a P10 million training budget on post-harvest facilities, will include SWIFT beneficiaries in its training sessions.

The need for capacity development across the board is glaringly obvious. An overwhelming number of ex-combatants still have not been trained or have received inadequate training.

Training follow-up is critical. (See discussion under the indicator for Training Impact below) A one- to three-day training session is a start, but it is not adequate for all but an exceptional minority of recipient groups.<sup>10</sup> While government agency personnel, such as the Municipal Agricultural Officer (MAO) or the Cooperative Development Officer (CDO), provide some technical assistance, the volume of follow-up needed can not be borne solely by the LGUs.

There are two serious factors that should be considered with regard to capacity development. One is the low level of literacy. Numeracy skills are also lacking, which makes financial management training difficult. Second, organizational leadership is still drawn from the old military scheme. With few exceptions, the group's chairman is the former commander. Unless the training is carefully designed or the participant selection process more democratic, the cadre of leaders will remain the same. A new generation of leaders needs to be developed to handle the reins in the future. One way is to ensure that this generation has excellent access to management and technical training, including the operation and repair of farm equipment.

### **Impact Indicator 2.2: Additional Members Joining The Group**

SWIFT beneficiaries are a mix of non-registered organizations, farmer associations and cooperatives. Average membership is around 45. Active members normally total about 30. Actual increases in membership have occurred only in a few organizations. For the most part, membership has remained stagnant. M&E data show only 292 new members from among the 80 recipient groups.

Three factors can explain the constancy in membership size. First, increases in membership were observed mainly in those groups that had already had two or three successful cropping cycles. Many of the groups assisted by SWIFT had no more than one cycle since delivery of post-harvest facilities. Second, many of the organizations are quite young and still in early development. Some have a waiting list for membership, but acceptance of new members is deferred until the organization has consolidated early gains and established policies. Third, in at least one case (New Utara, Cotabato), the groups had instead formed a cooperative federation (46 primary groups), recognizing that

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<sup>10</sup> There are isolated cases of groups with the good fortune to have one or more college educated members who have the ability to understand and absorb new concepts rapidly. That is very rare, however. In most cases, the majority of members are functionally illiterate.

they would have a “bigger voice” and would better maximize resources if they worked together.<sup>11</sup> There were also a few cases in Lanao where membership was drastically reduced. The ex-combatant groups had moved due to AFP-MILF fighting in the area.

Regarding integration, most of the groups have declared an open membership policy. However, the true extent of their openness is difficult to determine since many have deferred processing of applications, and others have not grown despite the obvious benefits to be gained by joining.

Lastly, the hierarchical structure of the organizations, typically chaired by the former commander, appears to have served well for initial results. The question is, will those results be sustained without more substantive participation over time? The team believes they will not and that existing governance structures will erode as organizations grapple with the challenges to come, which will put traditional management structures under increasing stress. A future indicator, if the program is extended, should be a free and fair election of officers and peaceful transfer of authority.

### **Impact Indicator 2.3: Training Impact and Overall Organizational Management Capability**

This indicator is the PAT evaluator’s assessment of cooperative member skills, based on questions and a review of the organization’s books. Of the 80 groups, roughly 47% still had below average or poor skills, highlighting the need for follow-up.

**Table 4**  
**Assessment of Beneficiary Skills**

<b>Assessment of Skills</b>	<b>No. of Groups</b>	<b>Percent</b>
Excellent	4	5.0
Above average	38	47.5
Below Average	32	40.0
Poor	6	7.5
Total	80	100.0

For many cooperative members, SWIFT training was the first training received. The response and eagerness for the training has been overwhelming. One of the difficulties in conducting the training has been limiting the courses to a small enough group of members tasked with financial management responsibilities. Typically, most members want to attend sessions. Participation normally drops to a more select group as the training becomes more hands-on and technical.

From field observation of books and interviews, there is still a long road ahead. Clearly, a single course of one to three days is inadequate. Follow-on training is critical, and in a

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<sup>11</sup> The formation and development of this federation was being actively advised by the SWIFT PDO for the zone.

wider range of subject areas, especially in participatory management and internal governance. But other subject areas are also important in such areas as diversification, processing, marketing, advocacy, project design and resource mobilization.

The M&E exercise also assessed member confidence in organizational management based on a series of 25 questions on member views of their leaders' abilities to manage in an open and transparent manner. Interestingly, an overwhelming 70% of the 80 groups have high or above average confidence in their management. This is more likely a case of "benign" leadership, than good management practices.<sup>12</sup>

**Table 5**  
**Assessment of Members' Confidence in Organization Management**

Rating	No. of Groups	Percent
High	19	23.7
Above average	38	47.5
Below Average	17	21.2
Low	6	7.5
Total	80	100.0

### **SO3 GRP Linkage**

#### **Impact Indicator 3.1: Interactions facilitated by SWIFT**

Based on M&E data, 645 interactions were facilitated by SWIFT for 73 of the 80 groups. These interactions included physical contributions to the project, technical assistance, and visits by the various barangay, municipal, provincial and line agency officials.

A major success of the SWIFT program is the extent to which it has effectively involved local and national GRP agencies in counterpart contributions at the community level. This is true for regional as well as community specific inputs. The provincial government of North Cotabato has allocated P1.0 million, for example. The DA has committed at least \$575,000, thus far, and the upcoming ATI training will draw from a P10 million budget for SWIFT and other training.

From the onset, the importance of counterpart contributions has been emphasized, both for the value of the resources and the alliances established which are critical to the peace effort. The inputs from SWIFT are contingent upon the actual delivery of corresponding counterpart from the LGUs and the groups themselves. Commitments for continuing TA from the LGU through the MAO are also being secured beyond SWIFT's project term. (Groups located in weak municipalities or provinces may experience reduced support, but are not excluded from the program.) PDOs have also used creative alternative strategies,

<sup>12</sup> The military mindset is still very much at play here. Members have apparent or expressed confidence in their commanders regardless of skill in management of a civilian organization. Another question is to what extent were members answering these questions honestly. It is an obviously touchy subject area, and PAT team members had to dance around the issue through a series of proxy questions to get at the truth.

such as generating more resources from within the groups and linking beneficiaries with NGOs or other organizations in the community.

In a few cases, particularly in Lanao del Norte, some groups have avoided counterpart contributions from local mayors for fear of incurring political liabilities.

### **Impact Indicator 3.2: Non-SWIFT Facilitated Interactions**

Only 52 of the 80 groups successfully realized interactions apart from those that SWIFT had brokered. However, the number of interactions is quite impressive at 744. This indicates that many of the groups do have the capacity to successfully relate to their principal stakeholders, primarily LGUs. Many also acknowledge the role SWIFT played in “introducing” them to local officials and they had since initiated interactions on their own. This also applies in the other direction. Often, following program initiation, LGUs will initiate follow-up interventions.

### **Impact Indicator 3.3: Perceptions of GRP delivery and implementation of Peace Agreement**

M&E data show that there is a strong negative perception of GRP performance throughout recipient groups, notwithstanding significant counterpart contributions that have in fact been made by LGUs and the DA at the community level. For line agencies, however, other than the DA (which provides tangible contributions in the form of machinery), little credit is given. Perversely, the more donors assist, the more glaring is the absence of GRP performance. Donor assistance is not perceived as made possible by the GRP. Line agencies need to reach out to communities directly (as do other donor agencies, for that matter). Below are data pertaining to beneficiary group perceptions of GRP performance..

**Table 6**  
**Beneficiary Perception on GRP Delivery of Services**

<b>Rating</b>	<b>No. of groups</b>	<b>Percent</b>
Full delivery	1	1.3
Satisfactory Delivery	15	18.8
Inadequate Delivery	43	53.7
No Delivery	21	26.3
Total	80	100.0

The 1996 Peace Agreement had three main components: political (i.e. autonomy); economic; and military (integration of ex-combatants into the AFP and PNP). Compliance with the Agreement by the GRP is perceived as acceptable only with regard to the military component.<sup>13</sup> At the community level, low GRP performance is associated

<sup>13</sup> Assignment of ex-MNLF combatants in regiments assigned in SZOPAD’s island provinces has been acknowledged as a highly positive move.

with lack of attention to severely needed livelihood improvements. From the perspective of MNLF leaders and SPCPD officials, the GRP has faltered most on the Autonomy component. As stated by its Vice-Chairman, autonomy is not an MNLF demand but a GRP commitment.<sup>14</sup>

**Table 7**  
**Beneficiary Assessment of Implementation of the Peace Agreement**

<b>Rating</b>	<b>No. of Groups</b>	<b>Percent</b>
Full Implementation	13	16.3
Satisfactory Implementation	20	25.0
Inadequate Implementation	43	53.7
No implementation	4	5.0
Total	80	100.0

## **B. Hypotheses**

The SOW asked the team to test four hypotheses formulated by OTI in order to determine the effect of the program on the peace and development process in Mindanao. Three of these hypotheses relate directly to the peace objective and are treated together in the first section below. The fourth, on development, is covered in the subsequent section.

### **Hypotheses related to the goal of creating peace and stability in Mindanao.**

#### **1. Assistance targeted to MNLF ex-combatants will promote peace and stability that leads to longer-term development.**

The team found this hypothesis valid for one main reason – attitude, especially hope for the future.

On more than one occasion in interviews, at both village and MNLF command levels, the team was told that were it not for SWIFT and GEM/ELAP, the combatants would have “gone back to the mountains” by now. These are the two programs that have “delivered” and that are “felt” by the rank and file. It was further stressed that SWIFT had penetrated areas that no other program had reached, including GEM/ELAP, which tends to target easier to reach areas for reasons of logistics, cost and manpower. The courage, energy, and dependability of the SWIFT program have clearly given hope to the target group for a longer-term solution to the problem of poverty and isolation. It was telling that SWIFT assistance did not stop during the height of GRP-MILF fighting earlier this year.

In multiple interviews the team was told that SWIFT delivers when it says it will. False expectations are not created. Promises are kept. As such, SWIFT has had more impact than the size of the program would indicate, because other donor and government programs have not arrived at large segments of the ex-combatant community. Line

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<sup>14</sup> Interview with Hatimil E. Hassan, Vice Chairman, MNLF

Agencies of the GRP are only now beginning to deliver at the grass roots level, mainly the DA. LGUs are doing a bit better, but human and financial constraints place severe limits on their capability. Other donor programs have benefited some communities, but have been felt more at the state command level than in the village, with the exception of the Canadian financed Philippine Development Assistance Programme (PDAP), which has had mixed success over a small number of communities.<sup>15</sup> The World Bank's Social Fund has also benefited a number of communities with social and productive infrastructure, but it has been difficult to access and slow to deliver.

The SWIFT program has also provided its target communities with the opportunity to work collectively toward a better future. It was not just a quick fix for the present. Something more than the familiar daily grind of production and harvest was being offered - something which encouraged the participants to do something new and more profitable, increase their volume and productivity, take better care of their families and, importantly, to stay busy.<sup>16</sup> In village after village groups told the team that they saw a better life on the horizon, even though they were not necessarily feeling it yet.<sup>17</sup> Almost universally, groups said their organizations were "open" and that they wanted to reach out to Christians and Lumads alike.

Caution is in order, however. The strategy could backslide if expectations created cannot be realized due to the lack of follow-up assistance to consolidate initial gains. Longer-term development will depend on a continuing effort to assure essential human capacity elements are in place to sustain term improvements to livelihood. This is also true for internal governance. These groups are still living in a command society with decades of dependence on traditional hierarchal structures for decision-making and resource allocation. This must change if dependency is to give way to self-reliance and the sense of ownership and the commitment necessary for continued stability and growth.

## **2. Development and peace are enhanced when LGUs and GRP Line Agencies provide counterpart commitments, thus demonstrating their tangible commitment to the 1996 Peace Agreement.**

The team found the hypothesis to be correct for those cases where counterpart commitments were evident from both the LGU and national levels. This was rarely the case, however. Far more commonly, only the corresponding LGU was making an official commitment. Nevertheless, this had a clearly positive effect on peace and development at the local level. The groups felt connected and had a vested interest in preserving the

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<sup>15</sup> The PDAP has reached 84 groups, with a budget of P82 million. The assistance ends in December 2000 but a second phase is anticipated. A proposal to continue for another three years, with a budget of about P80 million, is in process.

<sup>16</sup> Staying busy is an important factor, particularly for young people. This was mentioned in interviews. In Colombia today, for example, it is also an important factor relative to guerilla recruitment efforts in the countryside.

<sup>17</sup> Most of the TAG recipient groups have only had their machinery for a few months, often not having completed one crop cycle. Thus measurable economic benefits were difficult to gather. There is also a learning curve with the equipment and full benefits come with time and practice. Groups could see the benefits coming, though, and were almost uniformly optimistic.

relationship. There is no desire to go back to war. Ex-combatants interviewed indicated a heartfelt commitment to making their experiment with normal life work. Precisely how much of this can be attributed to the “counterpart” argument and how much to fatigue from living on the edge, is hard to say.<sup>18</sup> But, certainly the LGU counterpart commitment is a significant contributing factor.

At barangay and LGU levels, the team found highly positive attitudes on the need to work with “Muslim brothers”. SWIFT linkages had obviously facilitated this attitude, evident in Barangay Captains, Mayors and LGU staffs interviewed.

What was not recognized by communities was the GRP contribution by devolved personnel assigned to municipalities including MAOs and CDOs. Nor did communities see LGUs as part of a greater GRP. Thus, as shown under Impact, GRP compliance with terms of the Peace Agreement was consistently rated inadequate. This did not mean, however, that these groups were giving up on either peace or development.

It is important to note that SWIFT has been uniquely effective in mobilizing municipal support and linkages, which have been critical to changing perceptions. This has been part of the SWIFT formula from the beginning and has been pursued with single-minded dedication. Timely and quality LGU delivery on project commitments has sometimes been a problem, but most cases, contributions have been made and linkages created.

It has been far more difficult with respect to GRP Line Agencies, with the exception of the DA’s recent delivery on its earlier commitment of post harvest machinery. SWIFT began the DA resource mobilization campaign in July 1999 and systematically pursued collaboration, eventually resulting in a November 1999 commitment of \$575,000. Initial funds, \$135,000, were released in February 2000, and the arrangement was formalized with an MOU Amendment between USAID, the DA and the SPCPD on March 8, 2000, officially establishing the DA-SWIFT Village Partnership and significantly expanding program coverage. Since the signing, a total of 259 TAGs have been approved with DA contributions. Delivery was initially slow, but thanks to persistent follow-up, including with Secretary Angara himself, and with support from USAID management, the pace of compliance with commitments has recently picked up considerably. There has been a recognition of the political mileage to be had from collaboration, and the Secretary is now actively pressuring DA regional directors in Mindanao. Where DA equipment had been delivered, it made a positive impression on the attitude of recipient groups.

Other GRP Line Agency commitments have been notable for their absence in the SWIFT target areas. There are a few exceptions, such as contributions in kind from DSWD, the

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<sup>18</sup> The team repeatedly heard the notion at various levels that the MNLF ex-combatant community is tired of war and has no desire to go back to the forest, provided that there is some hope of living a life with basic human needs met and a modicum of dignity. The earlier evaluation in Guatemala found the same factor at play with an ex-combatant community exhausted from 30 years of insurgency. The key will be in building sufficient sustainability into recovery schemes such that the incentive to return to combat will be minimized. This is where the team is concerned. (See following hypothesis and Section VII)

Cooperative Development Authority (CDA) and the DTI. These contributions largely came about as a result of networking efforts by the PDOs.

As a result, the MNLF believes the GRP is shirking its responsibilities under the Peace Agreement. There is a perceptual disconnect in this area as most of the donor programs, in fact, reflect a GRP commitment. The perception needs to be countered, but it will take a more aggressive effort by the GRP in the field. Donors also need to use their leverage to encourage the GRP's presence. SWIFT has an edge in this area, born from successful experience to date with the DA. SWIFT also has unique leverage derived from high levels of performance on the ground.

Recent developments (military campaigns against the MILF and Abu Sayyaf) and GRP rhetoric, including the formation of the high level Mindanao Coordinating Council (MCC), are not helping the situation and could backfire if not followed by delivery on development and other commitments.

**3. Communities that receive SWIFT support will become “zones of peace” that may create stability and encourage other rebel groups’ members to consider the pursuit of peace.**

The “zones of peace” hypothesis appears accurate to the evaluators from its sample exposure to the ex-combatant community. As expressed above, these groups are not satisfied with GRP delivery or compliance, but they still want to make it work, and the SWIFT project has given them an investment in peace that they want to preserve.

At command and village levels, the “arms to farms” slogan of the SWIFT program has high resonance and a strong following. Virtually all groups visited said that their associations were “open” and that Christian and indigenous membership was encouraged. The team did not see anger or animosity reflected in groups interviewed.

The extent to which these zones are encouraging other rebel groups to pursue peace is uncertain. The situation has been made significantly more complex by the recent aggressive AFP campaign against MILF rebel strongholds. However, it is quite likely that some MILF members are mixed into MNLF recipient communities and are probably benefiting in some degree from SWIFT projects. Also, the MILF is in a position, geographically, to observe benefits of the program in action. It is likely that elements of the MILF are also tired and would appreciate the opportunity to return to a normal life for the first time in many years.<sup>19</sup> Obviously, the longer these peaceful zones are maintained and showing real benefits to participation, the better the probability that other rebel groups will want to “come in from the cold”.

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<sup>19</sup> Following Armed Forces of the Philippines (AFP) attacks on MILF camps in March of this year, there has been a general dispersion of MILF forces throughout much of the project area. Also, the notion was expressed a number of times to the team that a program of assistance should be mounted for the MILF to demonstrate to them in tangible terms the benefits of peace and the benign attitude of the GRP. That, of course, won't happen under the GRP's current policy framework. Nor, as a matter of law, can USAID knowingly assist an active combatant group.

There could be negative consequences, however, if gains are not consolidated. The project is successful now. It must “stay successful” for its true benefits to be realized. Some elements have put down the Peace Agreement, claiming that the benefits have been minimal or beyond reach. A premature pullout could cause added stress and resentment.<sup>20</sup> At present the project does not appear to have produced appreciable gains in membership in target communities. On the other hand, a difficult to measure result may be retention of membership that otherwise would have dropped out. As mentioned in interviews, the evaluators were told that SWIFT made the difference between staying or going. This may be true as well of some unidentified MILF membership. This is speculation, but is logical and was supported in team interviews.

#### **4. Agricultural and Post-Harvest assistance will provide improved economic opportunities to ex-combatants and their families.**

This hypothesis is self-evident on its face. Data, as shown under impact, are encouraging, but won't be conclusive until completion of the M&E exercise.

Principal gains to date appear to have primarily been: (a) cost-reduction from cheaper transportation and reduced labor requirements in tilling and processing and (b) increases in output from mechanized farming allowing for an increase in area planted. The team also believes that individual and family benefits have been considerably higher than those recorded for the recipient organizations at the consolidated group level.

Opportunities created will be short lived if adequate capacity is not developed to properly manage the resources provided. As with all farmer associations, the secret is to operate as a business enterprise with efficiency and transparency. This is a major challenge for ordinary people, yet alone for ex-combatant groups that have been in the mountains for the past 30 years and admit, “We know guns, not farming.”

From the team's interviews, a great deal of additional capacity building activity is needed for most groups if they are to survive as viable vehicles for social and economic development. There is also a major marketing constraint, which has not been addressed. Self-governance in particular requires strengthening for stability along with the development of participatory planning capacity. The necessary process has really only just begun. Most of these groups only became operational within the past year.

The evaluation team is concerned that if the necessary follow-through assistance is not arranged somehow, many of these groups could disintegrate and produce a disillusioned cadre ripe for the picking by MILF or other forces with disruptive agendas.

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<sup>20</sup> Other donor programs (such as CIDA/PDAP, World Bank, and the UNDP Multi-Donor Fund) are also in a “slowdown” phase as follow-on tranches of funding for MNLF programs are still pending.

## C. SWIFT Program Processes

This section is not intended to provide a detailed description of the various processes and procedures of the SWIFT program. Instead, it will highlight their relationship to the achievement of project results. Recommendations with regard to selected elements are deferred to the section on Recommendations.

### 1. Project Development Process

- Beneficiary Selection: SWIFT is directly involved in beneficiary group selection. While MNLF State leadership is consulted, they are not the only source of information. Data provided by State leadership is validated through site visits and consultation with other MNLF groups. This has allowed better inclusion of the National Unit Command (NUC) ex-combatants, which do not fall under the leadership of the State Chairman. Groups like the Networking Council of Central Kutawato have also assisted in certifying ex-combatants.<sup>21</sup>
- Participatory Approach: PDO visits to a community number from 3 to 8 during proposal development. This encourages participation by group members in needs identification. SWIFT has written and enforced procedures on proposal development based on participatory organizing. They emphasize that the PDO facilitates but does not lead community discussions. This results in assistance that is genuinely needed and translates into a greater sense of ownership by the community, thus improving chances the equipment will be maintained. This approach also filters out questionable groups or infeasible project ideas early in the project cycle.
- Counterpart Contributions: PDOs are required to conduct protocol meetings in their areas not only with MNLF leadership but also with LGU GRP officials. More importantly, SWIFT requires at least three contributing partners, the ex-combatant group, one or more government offices, and SWIFT. Thus, while protocol meetings serve as introductory sessions on the SWIFT program, they also provide an entrée for the PDO to establish continuing contact with stakeholders. The LGUs, in a few cases, have identified barangays with predominantly ex-combatant residents, which have not been identified by the MNLF State chairman.

Each TAG Agreement clearly defines counterpart commitments and is signed by all parties. Thus, a serious message is delivered at the onset. SWIFT does not deliver unless counterpart commitments are actually met. PDOs rigorously monitor the status of contributions during project implementation.

- Target Setting: PDOs have quantified targets set jointly with SWIFT management. This provides clear goals for PDOs within specified timeframes. The high volume of

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<sup>21</sup> The Networking Council is an ad hoc association of 70 individual coop/farmers' group who assists the State Chairman with coordinating implementation of various programs, including SWIFT. It strongly advocates for GRP and donor assistance to MNLF groups that have not been reached.

TAGs generated under SWIFT (a total of 420, with each PDO having a portfolio of 40-68 grants) can be attributed to targets that are realistic, jointly determined, and consistently tracked. There is a concern here, though. Some of the PDOs may be overextended and have trouble providing the intensive follow-up assistance required by the often-precarious state of their recipient communities. SWIFT holds periodic retreats for its PDOs where targets, procedures and methodology are discussed and issues resolved. There is a lot of coaching by management. Standards are set.

## 2. Procurement Processes

- Contractor Selection: Due to the high volume of procurement required under SWIFT, the process was streamlined through the use of contracts similar in principle to USAID's IQCs. A Request for Proposals (RFP) was issued and a major suppliers conference conducted in January 2000. A contract for each area by type of machinery and input (including construction materials) was signed for specified timeframes. These contracts include a penalty of 1% of total price per day of delayed delivery.

SWIFT's procurement procedures (based on USAID regulations) have helped "professionalize" some contractors in program areas. Suppliers are dropped from the roles for lack of performance or transparency, a healthy message for the supplier community and a lesson for recipient groups.

## 3. Financial Management

- Contractor/Supplier Payment: One of the key factors that has provided SWIFT leverage with suppliers is timely payment. Once an "acknowledgement receipt" is certified by both the PDO and the community, it generally takes no more than three (3) days to make full payment. Because of this track record, SWIFT has been able to maintain a stable and loyal list of contractors and suppliers.
- Management vs. Program Costs: Based July 2000 data, the average expenditure for monthly management cost, including overhead and fees, is under \$75,000. At this level, the range and depth of SWIFT's reach is impressive. If one compares grant expenditures (which totaled below \$445,000 as of the same date), a skewed picture results. The inference is that \$2.34 of management costs are needed for every dollar of grant assistance. However, it is important to note that at the time of the evaluation about \$1.1 million had already been committed for TAGs. The skewed picture is the result of the natural time lag between TAG approval and actual delivery and payment.

It is projected that the budget of \$1.3 million for TAGs will in fact be fully utilized. Remaining funds for management cost are projected to be adequate for at least a three-month no-cost extension, until March 2001. Assuming a 22-month project, the estimated ratio is \$1.25 of management cost for every \$1 of grant assistance.

Programs of this nature are typically management intensive and therefore expensive (although salaries are extraordinarily low in the Philippines, especially in this project

as most employees are relatively young). There is no choice if resources are not going to be wasted. However, in this case counterpart commitments have been so substantial, that the true relative cost of management has been significantly reduced. Including total TAG counterpart contributions, management cost is only roughly \$0.56 for every \$1.0 of grant assistance delivered.

#### 4. Access Database System

- Management Tool: SWIFT's database provides a high performance tool for program management and implementation. It has facilitated genuine horizontal management wherein all functional groups (PDOs, engineering, procurement, finance, and the manager) get involved in the project cycle. It has become vital to project implementation. The database system is structured such that certain fields can only be updated by appropriate SWIFT staff. For instance, the "approved" or "disapproved" field can only be filled up by the OTI representative or his designee. The PDO cannot unilaterally proceed to the next implementation step unless certain established prerequisites have been met.

The database has laid the basis for the M&E system as well and can provide comprehensive data at both the micro and consolidated program levels. The TAG database is linked to the M&E reports, saving significant time. More importantly, it ensures consistent data and more accurate measurement of program results.

Finally, the database makes for speed and greatly reduces the management burden in administrative and processing operations, thus freeing valuable time and energy for planning and problem solving.

- Timely and Widely Shared Information: The key to success of SWIFT's database system is that information is timely, and more importantly, widely shared. Data on every project, from the proposal development to completion, including all related email exchanges, is on the system. Information is kept up to date. For managers, current data is always available for decision-making. For the PDOs, they know at a glance actions, decisions, or issues from the procurement and finance sections or from management. Each PDO is provided with a laptop that allows access to updated information on the system. This is vital since PDOs are in the field 80% of the time. Project information is accessible to all SWIFT staff, even to remote users. PDOs and others (such as the PAT teams) have access to project data while in the field.

The database also has a uniform format for all TAGs. This facilitates consolidation of information for program analysis. It also "disciplines" PDOs to secure all the necessary data on each TAG.

Obviously, for successful functioning of the database, all staff must know the system and use it. This requires organizational commitment and discipline. To SWIFT's credit, these qualities are very much in evidence.<sup>22</sup>

One final benefit of the system is that it makes possible comprehensive monthly reports to interested stakeholders in the program including State Chairmen, Provincial Governors and other donors.

## **5. Monitoring and Evaluation**

The M&E exercise represents a serious intent on the part of SWIFT to review the performance of all TAGs and the program. The M&E system will also be very useful in linking the ex-combatant groups with other interested NGOs and donor organizations. The M&E report provides a ready, credible analysis and rating of each of the groups. For interested NGOs and other donors involved in the SZOPAD area, this could save valuable time in identification and selection of potential beneficiary groups.

## **6. Program Approach**

There has been a serious lack of coordination between management of the two programs, GEM/ELAP and SWIFT, since the beginning of Phase 2. This has resulted in part from fundamental philosophical differences in program approach. Essentially GEM/ELAP is still dedicated to short-term "emergency" assistance while SWIFT is focused on longer-term organizational viability concerns. Further, the two programs face structural impediments to effective collaboration in that one is committed to working with farmer organizations and the other with selected individuals. Nevertheless, for whatever combination of reasons, the lack of coordinated programming has more than likely resulted in reduced performance of both programs at a time when performance should be maximized. In a situation like Mindanao, to have two contractors working on separate and unsynchronized tracks, with ostensibly the same target group, is counterproductive and should be corrected.

Despite the lack of integration, each activity has been relatively successful in pursuit of its respective objectives. The objectives themselves, however, should now be reconciled within the context of a working level strategy framework designed to address the evolving situation on the ground, especially given increasing upheaval in target areas commencing early this year. The potential increase in impact from full collaboration between the two programs could be substantial.

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<sup>22</sup> The database is also available to OTI/Washington and USAID Mission management, although there is no record of the Mission ever having actually used the system as its data has never been "synchronized". OTI/Washington and the DAI Home Office have "read only" copies.

## V. SUMMARY OF RECOMMENDATIONS

### A. Recommendations Based on Lessons Learned

#### 1. Design and Structure

- Integration of OTI assistance through pre-existing Mission project mechanisms face difficult structural hurdles and must be carefully planned and negotiated. OTI should assure that the corresponding management structure defines how the OTI resident advisor fits within or relates to mission staff and that its oversight and management roles are clear, understood, and accepted by all parties.
- OTI projects involving community-based development should be designed with a sufficient time horizon to allow for adequate sustainability measures to take hold. The SWIFT project's timeframe is clearly inadequate. Three years would have been about right, under earlier conditions. Now, at least two additional years are recommended.<sup>23</sup> Program closeout dates need to be reviewed within the context of evolving conditions. OTI should not be arbitrarily tied to a fixed departure timetable, particularly in areas characterized by precarious, fluid, or volatile conditions. A phase-out at a pre-determined end date (without the benefit of a review) can inadvertently send the wrong message, create a backlash or damage gains earlier achieved. In general two years is a good benchmark target for conceptual purposes, but adequate closure and hand-off is more important.

#### 2. Implementation Arrangements

- The quality of coordination and synergy between Mission and OTI interventions is determined to a large extent by the level of clarity in defining relationships and structures during the design phase and refined during implementation. It is essential that sufficient management attention (on the part of both OTI and the Mission) be dedicated to this aspect. Clearly, this was not done in the Mindanao case. As a result, the combined impact of both projects was less than what was potentially achievable and probably considerably more costly from duplication of delivery systems.
- New program activities should only be initiated when enough time is available to see them through to adequate closure or there is a readily available and committed hand-off structure in place. The "reconciliation" group of TAGs under the SWIFT project illustrates this point.<sup>24</sup>

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<sup>23</sup> The evaluators understand the limitations of IDA funding and congressional pressure to terminate transition programs within two-year periods of time. Nevertheless, the rule should be applied flexibly. Different settings and constraints require different levels of effort and timeframes. It is also understood that SWIFT started 18 months after OTI began its interventions in Mindanao. The evaluators would argue that the clock should have been restarted at the time of SWIFT commencement.

<sup>24</sup> Midway through SWIFT's implementation period, "reconciliation" TAGs were developed in response to the worsening peace situation brought about by the more aggressive GRP stance against the MILF. The

### 3. Execution

- The “directness” of assistance at the local level (in both phases) generated tremendous amounts of goodwill and provided the basis for forging institutional relationships with target communities. In the case of SWIFT, this has greatly facilitated direct, face-to-face relationships between the ex-combatant communities and their barangay and local government executives. This has also bolstered continued support for the village projects and the ex-combatant communities following termination. Where possible OTI should strive to preserve this principle in its interventions.
- There is a major benefit to be achieved from forcing the issue on counterpart contributions at the community level. As of August 2000, matching funds of \$1.6 million exceeded OTI’s contribution of \$1.3 million. The aggressive networking of the OTI resident advisor has been instrumental in leveraging major counterpart contributions from the national line agencies and LGUs. This has also strengthened the vital “linkage” aspect of the project immeasurably.
- Sustainability is assured to the extent that the capacity of recipient organizations has been sufficiently strengthened and linkages formed with appropriate supporting stakeholders (GRP, LGUs, NGOs, etc.), but it does require a substantial period of time. SWIFT has made a good start, but serious follow-on work is critical. As PAT data show, most of the groups continue to need serious follow-up assistance and training. Further, moving out of transition presumes that groups have reached a certain level of capacity and sustainability and that the external situation has normalized. This is certainly not the case for Mindanao and for MNLF ex-combatant groups.<sup>25</sup>
- Hand-off strategies should be negotiated with resident USAID missions as far in advance as possible, preferably a year prior to termination. There should be constant communication on the evolution of the plan over that period so there are no surprises when time draws short. SWIFT did attempt to do this, but conditions changed dramatically during the second half of the implementation period.

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reconciliation TAGs were intended to be a quick, one-time response to douse increasing tensions in program areas. However, due to the overwhelming number of TAGs developed within a relatively short period of time and the corresponding management burden (particularly for SWIFT’s procurement unit), this program activity was terminated earlier than anticipated. Impact is uncertain, although there probably was some at the local level. Adequate follow-up and monitoring capability is not in place due to time and resource constraints. Reconciliation TAGs represent a useful vehicle for facilitating transition. When introduced, they should have sufficient time to achieve adequate closure. While they may serve a purpose in the very short-term, their impact will be enhanced if the activities are guided by a sense of strategic direction.

<sup>25</sup> Interview with Fr. Eliseo Mercado, President of Notre Dame University and Member of SPCPD’s Consultative Assembly.

**B. Recommendations for SWIFT Project Management**

1. Although the first priority for PDOs and the program must be delivery of approved TAGS, consistent and thorough follow-up with recipient groups over the months prior to closeout is vital. Every group where follow-on assistance is required should have a basic plan of action developed in a participatory mode.
2. PDOs now appear somewhat overextended (large portfolios of active TAGs). An exercise, based on PAT reports to the extent possible, should be carried out soon to determine which groups merit follow-up and which do not so that PDOs may concentrate on priority communities. The current efforts to “hand-off” beneficiary groups to corresponding LGUs, NGOs, or other donors should be aggressively pursued.
3. PDOs are now in a unique position to help lay the path for further organizational development of recipient groups. It would be useful to bolster PDO skills in participatory techniques through training. These techniques can then be applied to groups that do merit follow-up during the remaining time of the program. This effort may not break down the typically hierarchical structure of the ex-combatant groups, but it will chip away at their traditional modes of top-down decision making.
4. The Monitoring and Analysis exercise should be completed as soon as possible, but prior to termination there should be a master data clean-up exercise to document consistent findings. More time may need to be spent on this by project management. The product of this exercise will be invaluable for follow-up efforts with these groups in the future.
5. Follow-up training for selected recipient groups should be continued, as comprehensively as possible, until close to project termination. Cooperative and financial management will be the first priority in most cases along with technical training on the equipment.
6. The project should facilitate relationships and cross-fertilization experiences between stronger and weaker recipient groups so as to provide additional support to the latter on management and technical issues.

**C. Other Recommendations**

1. The database for this project should be documented and widely circulated as a model of for effective management use in similar projects.
2. The Monitoring and Evaluation element for OTI projects should be established as early as possible during implementation. It should be designed with professional assistance to capture impact data all levels required, including the family level.

3. The project implementation model for this project should be documented and circulated for replication in other similar settings. It has a number of outstanding features, especially those related to the leveraging of counterpart commitments from the community and local government and establishment of strategic alliances among key stakeholders and the target community.